



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0655	Title:	Revise agriculture laws
Primary Sponsor:	Belcourt, Tony	Status:	As Introduced-Revised

- | | | |
|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
State Special Revenue	\$10,650	\$10,150	\$10,150	\$10,150
Revenue:				
State Special Revenue	\$10,650	\$10,150	\$10,150	\$10,150
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

HB655 provides rule making authority and a statutory appropriation to the Department of Livestock to provide for the costs of the horse surrender project.

FISCAL ANALYSIS

Assumptions:

1. An estimated 100 horses would be surrendered each year. 10 of these horses would be adopted, 60 of these horses would be sold and 30 of these horses would be euthanized in a given year.
2. The department would establish by rule and adjust fees as necessary to be commensurate with costs. Original fee estimates includes \$38 for a surrender fee, \$85 for an adoption fee and an average sale price of \$100. Total revenue is estimated to be \$10,650 (\$3,800 surrender revenue + \$850 adoption revenue + \$6,000 sale revenue).
3. Expenses are estimated at \$10 yardage per day; 4 days average hold plus 20% sale costs on horses sold = \$60 per horse sold, 12 day average hold for horses adopted = \$120 per adopted horse, and \$150 euthanization and \$35 landfill = \$185 per euthanized horse.
4. There is a one time cost of \$500 in FY 2010 for writing administrative rules (\$50 a page x 5 pages x two publications).
5. Total expenses are projected at \$10,650 in FY 2010 and \$10,150 each year thereafter.
6. Surrender fees would be reduced to \$33 beginning in FY 2011 to make overall revenue commensurate with costs.

7. The department is unable to estimate the amount of revenue that might be generated through donations or grants for the state special revenue account created in HB 655 at this time. Revenue received in the form of grants or donations would be used to reduce surrender and adoption fees.
- 8.

17-1-508, MCA requires analysis of the statutory appropriation relative to the guidance in 17-1-508 (2), MCA, to be published in the fiscal note. In reviewing and establishing statutory appropriations, the legislature shall consider the following guidelines.

	<u>YES</u>	<u>NO</u>
a. The fund or use requires an appropriation.	X	
b. The money is not from a continuing, reliable, and estimable source.		X
c. The use of the appropriation or the expenditure occurrence is not predictable and reliable.		X
d. The authority does not exist elsewhere.	X	
e. An alternative appropriation method is not available, practical, or effective.		X
f. Other than for emergency purposes, it does not appropriate money from the state general fund.	X	
g. The money is dedicated for a specific use.	X	
h. The legislature wishes the activity to be funded on a continual basis.	X	
i. When feasible, an expenditure cap and sunset date are included.		X

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$10,650	\$10,150	\$10,150	\$10,150
TOTAL Expenditures	<u>\$10,650</u>	<u>\$10,150</u>	<u>\$10,150</u>	<u>\$10,150</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$10,650	\$10,150	\$10,150	\$10,150
TOTAL Funding of Exp.	<u>\$10,650</u>	<u>\$10,150</u>	<u>\$10,150</u>	<u>\$10,150</u>
<u>Revenues:</u>				
State Special Revenue (02)	\$10,650	\$10,150	\$10,150	\$10,150
TOTAL Revenues	<u>\$10,650</u>	<u>\$10,150</u>	<u>\$10,150</u>	<u>\$10,150</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date

**Dedication of Revenue 2011 Biennium****17-1-507-509, MCA.**

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

No

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

Specific horse owners pay a fee to cover the cost for the provisions of HB655.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes

- d) **Does the need for this state special revenue provision still exist? ___Yes ___No (Explain)**

Yes if HB 655 is passed into law.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

No. Expenditures are subject to financial audit and review.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

If HB 655 passes, yes.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

If HB 655 passes, there are no accounting and/auditing efficiencies or inefficiencies. The department will account for this activity in SABHRS.